



AUDIT REPORTING PROCEDURES

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AFI 65-301, 19 December 2002 is supplemented as follows: (This supplement does not apply to Air National Guard and United States Air Force Reserve units and members.)

1.4.1. Within AMC, AMC/FMPF serves as the command audit focal point for managing and coordinating AFAA matters. For AFAA visits to AMC headquarters only, specific duties and responsibilities for AMC/FMPF and AMC headquarters OPRs and OCRs are in AMC HOI 170-1. Moreover, the designated AMC staff OPR is responsible for providing adequate working space for AFAA auditors during the visit. For AMC activities, the comptroller function serves as the installation audit focal point. For AMC organizations where a comptroller function does not exist, the unit or organization commander will designate a focal point. Notify AMC/FMPF of the name, FAX, e-mail address and telephone number of the designated audit focal point, and update as necessary. The installation audit focal point is responsible for monitoring and coordinating all facets of AFAA visits to their installation.

1.4.2. On receipt of a special report of audit, the installation audit focal point will immediately notify AMC/FMPF by e-mail, telephone, or message. Process a special report of audit in the same manner as a regular report of audit. Within AMC Headquarters, AMC/FMPF will notify the command section through AMC/FMP and appropriate AMC offices of primary responsibility (OPR) and collateral responsibility (OCR) of receipt and contents of a special report of audit. In reference to the commander's audit program (CAP): Commanders may request an audit under the provision of the CAP or under regular audit coverage. You must contact the servicing AFAA area audit office for further information on requesting a CAP audit. Commanders, managers, and supervisors should place continued emphasis on developing and recommending procedures to prevent future deficiencies.

1.4.3. On receipt of an AFAA draft audit report for comment, the installation audit focal point will perform the following: Send the draft report to appropriate functional offices to prepare management comments, coordinate on all responses to draft reports to ensure management has addressed each finding, recommendation, and potential monetary benefit, and ensure management comments are provided to AFAA by the suspense date.

1.4.6. Management will coordinate all requests for extensions through the installation audit focal point. Within AMC headquarters, the OPR will coordinate requests through AMC/FMPF.

1.4.8. The installation audit focal point will ensure management comments are clear, concise, and complete. Comments must address each finding, recommendation, and potential monetary benefit. Management is not required to provide additional comments for findings with which they concur, but they are required to provide management comments for each recommendation. Management should include the name, functional address symbol (FAS), and telephone number of a point of contact in their comments. (See **Attachment 5 (Added)** for sample format; use it only as a guide since it is not all inclusive.) Do not provide AMC/FMPF a copy of management comments to draft installation level AFAA and PACA reports. On issuance of the final report, the AFAA area audit office will forward the report to AMCFSS/FMPF with an information copy to the numbered Air Force (NAF).

2.1. AMC personnel will permit properly cleared AFAA personnel prompt access to Air Force-controlled information needed for the auditor's evaluation. It is Air Force policy to cooperate with the auditors in executing their official duties. However, access to operation plans (OPLAN) and any supporting documentation is extremely sensitive and requires special treatment. Release of information should be on a need-to-know basis and should be carefully limited to those documents or portions of documents directly related to the audit. JCS Memorandum of Policy (MOP) 60 provides specific guidance concerning the types of OPLAN data that can be released by the holders without JCS approval. If questions arise concerning the access to or the releasability of an OPLAN or any other information, contact the local audit focal point or AMC/FMPF audit focal point, who will assist in following the guidance in chapter 2 of the basic instruction.

3.1. Any reviewing level between the audited activity and AMC may initiate a nonconcurrency with an audit report. If a reviewing official disagrees with any portion of the report, the official should document nonconcurrency and send to HQ AMC/FMPF Audit Focal Point within 30 days from the date of the audit report. Management will coordinate all nonconcurrences with the installation audit focal point.

3.3. Installation audit focal point and management officials should work closely with auditors during the development of management comments. Management should make every effort to resolve disagreements with audit findings, recommendations, and potential monetary benefits during these discussions. If a nonconcurrency cannot be resolved during the discussion period, management must provide (in management's comments) a position that is concise, fully justified and supported, and contains references to proper regulations or directives. If monetary benefit is being disputed, management must provide an alternate estimate with rationale to fully support the amount. (See **Attachment 6 (Added)** for sample format with a nonconcurrency; use it only as a guide since it is not all-inclusive). The installation audit focal point should ensure the AFAA and the AMC audit focal point receives management comments within the established time frame. Audit reports containing nonconcurrency items are considered open until all nonconcurrences have been resolved.

3.3.1. When a nonconcurrency is resolved by a higher level of management, the responsible headquarters staff agency must send the results to the audited activity. Within AMC headquarters, AMC HOI 170-1 contains specific instructions for processing nonconcurrences at MAJCOM level.

4.3. If validation finds "potential monetary benefit (PMB)" inaccurate, the HQ AMC/FMP (Programs and Integration Division) should initiate a nonconcurrency with the PMB. (See paragraph 1.5.9.)

4.3.2. Coordinate the results of the validation with the functional OPR and the financial analysis office. (HQ AMC/FMP is responsible for verifying the appropriations data in part II of the PMB statement.)

4.6. The installation audit focal point will send all audit reports containing a PMB over \$50,000 to the installation level FMA for validation of the PMB. This office will provide the coordinated results to the installation audit focal point. The command audit focal point will report all PMBs to the Air Staff in the semiannual installation report.

5.5. For processing purposes, the installation audit focal point will forward all copies of public accountant audit (PACA) reports to the wing Nonappropriated Fund Analyst (AFAA). The installation audit focal point will send one copy of the date-stamped report to AMC/FMPF and one copy to the AMC/NAFFA. The base-level NAFFA will ensure management comments are received, tracked, and followed up until completion. It is still the responsibility of the base level NAFFA to maintain records is responsible for administering the audit.

Attachment 5 (Added)**RESPONSE TO DRAFT REPORT OF AUDIT
(SAMPLE LETTER FORMAT)**

MEMORANDUM FOR AFAA Area Audit Office

FROM: Wing/CC

SUBJECT: Draft Report of Audit F2003-EA0000-0350-xxx, F2003-0024-EA0000, Vehicle Valuation and Acquisition Costs, 375 AW, Scott AFB, 1 January 2003

1. We concur with all findings and recommendations.
2. Reference Recommendation 1. Concur. Procedural clarification has been requested from the Standard Systems Center to determine if program GV930/MO6 should be changed to provide all pricing data. Estimated completion date is 10 July 2003.
3. Reference Recommendation 2. Concur. The Equipment Management System (EMS) Branch, Base Supply, will provide the Vehicle Interactive Management System monitor a monthly retrieval containing the following information:
 - a. Interchangeable and substitute stock number
 - b. Standard price
 - c. Vehicle type and registration number

This item is considered (CLOSED).

4. Reference Recommendation 3. Concur. The data provided by the EMS Branch will be used to update the standard prices during the monthly Registered Equipment System and On-Line Vehicle Interactive Management System reconciliation. Once the data is input into the system, it will be used in establishing one-time repair limits for vehicles. This procedure has been coordinated with HQ AMC/LETV. (CLOSED).
5. Project officer for this draft audit report is Mr Smith, 375 AW/LGT, 256-2222.

NAME, Rank, USAF

Commander

NOTE: This input can also be submitted e-mail with //SIGNED// at the signature block. Ensure you maintain the original signed copy in your files.

Attachment 6 (Added)**RESPONSE TO DRAFT REPORT OF AUDIT WITH NONCONCURRENCES
(SAMPLE LETTER FORMAT)**

MEMORANDUM FOR AFAA Area Audit Office

FROM: CC

SUBJECT: Draft Report of Audit F2002-EO0000-175.xxx, F2003-0175-EA0000, Management
Maintenance--Due-In from Maintenance (DIFM), 375 AW, Scott AFB, 1 January 2003

1. We concur with all findings and potential monetary benefit.
2. Reference Recommendation 1. Concur. The DIFM monitor is now coding the DIFM listing daily and returning the listing to base supply with the complete status of each item. Any discrepancies found on the listing are coded correctly and brought to the attention of base supply personnel when the listing is delivered to them. (CLOSED).
3. Reference Recommendation 2. Concur. The 33 aircrew ovens had no DIFM detail and were returned to base supply as "found on base" items. All personnel have been instructed to return all DIFM items to base supply when they are not required for immediate use. Monetary benefit achieved by this corrective action is \$123,000. (CLOSED).
4. Reference Recommendation 3. Concur. Annotations are now being entered on the back of copy 4 of DD Form 1348-1 as to the time and date the reparable asset can be received. DIFM notices are then filed in date sequence in the pending pickup file for further action to recover the DIFM item. (CLOSED).
5. Reference Recommendation 4. Nonconcur. The requirement for maintenance shop chiefs to keep job control updated on specialist availability changes as they occur is already included in AFR 22-2, paragraph 2-2.
6. Project officer for this draft report is Mr Smith, 375 AW/LGP, 256-2222.

NAME, Rank,
Commander

DAVID E. PRICE, Colonel, USAF
Comptroller